

## Message Text

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ORIGIN XMB-04

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-08  
FRB-01 INR-10 NSAE-00 ICA-20 TRSE-00 OPIC-06  
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FM SECSTATE WASHDC  
TO AMCONSUL CASABLANCA

UNCLAS STATE 109523

E.O. 11652: N/A

TAGS: EFIN, MO

SUBJECT: EXIMBANK'S COMMITMENT

REF: STATE 070331

1. ARTICLE ON EXIMBANK TO BE INCLUDED IN FORTHCOMING ISSUE  
OF AMCONGEN CASABLANCA'S COMMERCIAL QUARTERLY AS FOLLOWS:

EXIMBANK'S COMMITMENT  
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EXIMBANK--THE EXPORT-IMPORT BANK OF THE UNITED STATES--IS  
ACTIVELY PARTICIPATING IN PRESIDENT CARTER'S PROGRAM TO  
INCREASE U.S. EXPORTS. AS THE U.S. GOVERNMENT'S PRINCIPAL  
EXPORT FINANCING AGENCY, WE ARE INCREASING OUR AUTHORIZA-  
TIONS TO HELP AMERICAN FIRMS WIN MORE FOREIGN ORDERS.

THE UNITED STATES IS EXPERIENCING A CONTINUING DETERIORA-  
TION IN ITS INTERNATIONAL TRADE ACCOUNT. IMPORTS FAR

EXCEED EXPORTS FOR TWO PRINCIPAL REASONS; FIRST, AND MOST IMPORTANTLY, OUR OIL IMPORT BILL HAS INCREASED NEARLY TENFOLD IN THE PAST FIVE YEARS; AND SECOND, THE SLOWER ECONOMIC RECOVERY EXPERIENCED BY OUR TRADING PARTNERS HAS REDUCED DEMAND FOR U.S. EXPORTS.

THE CARTER ADMINISTRATION IS WORKING TO IMPROVE OUR TRADE IMBALANCE BY LIMITING THE RAPID GROWTH OF OUR ENERGY IMPORT REQUIREMENTS AND BY ENCOURAGING AN INCREASE IN U.S. EXPORTS THROUGH SOUND ECONOMIC POLICIES AND THE ASSISTANCE OF AGENCIES SUCH AS THE EXPORT-IMPORT BANK.

DURING FY 1977, EXIMBANK'S AUTHORIZATIONS OF DOLS 5.6 BILLION SUPPORTED DOLS 8.5 BILLION IN U.S. EXPORTS. TOTAL U.S. EXPORTS DURING THAT PERIOD EXCEEDED DOLS 120 BILLION. THE LEVEL OF EXPORTS FACILITATED BY THE BANK DURING FY 1977 DECREASED FOR THE THIRD CONSECUTIVE YEAR, AND REFLECTED, IN PART, THE MORE RESTRICTIVE LENDING CRITERIA EMPLOYED BY THE BANK DURING THE PAST TEN YEARS.

THE RECORD U.S TRADE DEFICIT OF DOLS 26.7 BILLION IN 1977 UNDERScoreD THE NEED TO REVERSE THE DOWNTURN IN EXIMBANK AUTHORIZATIONS. PRESIDENT CARTER ANNOUNCED LAST DECEMBER THAT EXIMBANK LENDING ACTIVITY WOULD BE INCREASED SHARPLY

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IN ORDER TO ACHIEVE A SUBSTANTIAL INCREASE IN U.S. EXPORTS. THE PRESIDENT'S EXPORT POLICY STATEMENT WAS FOLLOWED BY HIS BUDGET REQUEST FOR FY 1979, WHICH INCLUDED EXIMBANK AUTHORIZATION LEVELS TOTALING DOLS 12.1 BILLION, AND BY THE INTRODUCTION OF ADMINISTRATION-SPONSORED LEGISLATION TO INCREASE THE BANK'S OVERALL COMMITMENT AUTHORITY AND TO EXTEND ITS LIFE.

THE UPSWING IN EXIMBANK ACTIVITY HAS ALREADY BEGUN. IN THE FIRST SIX MONTHS OF FY 1978, EXIMBANK AUTHORIZED DOLS 1.1 BILLION IN DIRECT LOANS, 62 PERCENT ABOVE THE DIRECT LOAN AUTHOIRZATIONS DURING ALL OF FY 1977, AND 324 PERCENT ABOVE THE LEVEL AUTHORIZED DURING THE FIRST SIX MONTHS OF LAST YEAR.

EXIMBANK IS PLACING AN INCREASED EMPHASIS ON ENABLING U.S. EXPORTERS TO COMPETE EQUITABLY WITH EXPORTERS FROM THE OTHER MAJOR TRADING NATIONS. A DELEGATION FROM EXIMBANK AND THE TREASURY DEPARTMENT COMPLETED NEGOTIATIONS WITH REPRESENTATIVES OF 20 MEMBER NATIONS OF THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT RESULTING IN A NEW ARRANGEMENT ON INTERNATIONAL EXPORT CREDIT PRACTICES WHICH ELIMINATES MUCH OF THE AMBIGUITY OF THE PREVIOUS CONSENSUS.

WITHIN THE NEW INTERNATIONAL GUIDELINES EXIMBANK WORKS WITH PRIVATE FINANCIAL INSTITUTIONS TO PROVIDE U.S. EXPORTERS WITH FINANCING FOR THEIR SALES WHICH IS REASONABLY COMPETITIVE WITH THE OFFICIALLY SUPPORTED FINANCING PROVIDED TO THE EXPORTERS FROM THE OTHER MAJOR TRADING

NATIONS. IT SHOULD BE REMEMBERED, HOWEVER, THAT EXIMBANK DOES NOT PROVIDE FOREIGN AID OR DEVELOPMENT ASSISTANCE LOANS, AND THAT WE ONLY AUTHORIZE LOANS FOR WHICH THERE IS REASONABLE ASSURANCE OF REPAYMENT. WE ALSO DO NOT ATTEMPT TO OFFSET ANY COMPETITIVE DISADVANTAGE WHICH U.S. UNCLASSIFIED

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EXPORTERS MAY EXPERIENCE IN PRICE, QUALITY, PRODUCT AVAILABILITY, SERVICE, OR OTHER FACTORS.

WE HAVE A FULL RANGE OF PROGRAMS TO MEET THE VARYING NEEDS OF AMERICAN EXPORTERS. WE HAVE NO INDIVIDUAL COUNTRY EXPOSURE LIMITATIONS AND PREFER INSTEAD TO CONSIDER TRANSACTIONS ON A CASE-BY-CASE BASIS.

EXIMBANK IS COMMITTED TO ITS TASK AND WILL CONTINUE TO WORK CLOSELY WITH U.S. EXPORTERS, PURCHASERS OF U.S. EXPORTS, BANKERS AND GOVERNMENT OFFICIALS, TO EFFECT AN INCREASE IN U.S. EXPORT SALES FAR EXCEEDING THOSE FOR WHICH EXIMBANK ASSISTANCE WILL BE REQUIRED. END

2. WE WERE UNABLE TO PREPARE IN FRENCH.

3. MATERIALS FOR BACKGROUND ON EXIMBANK SENT TODAY. SPECIFIC ATTENTION IS DIRECTED TO FACTS ABOUT EXIMBANK WHICH DISCUSSES OUR ACTIVITIES AND REVIEWS EACH INDIVIDUAL PROGRAM. VANCE

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## Message Attributes

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